

**FRED A. MORETON & COMPANY**

INSURANCE — SURETY BONDS — EMPLOYEE BENEFITS

**RECEIVED**  
MAY 17 1990  
DIVISION OF  
OIL, GAS & MINING

April 6, 1990

TO: Pamela Grubaugh-Littig, Permit Supervisor  
State of Utah  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

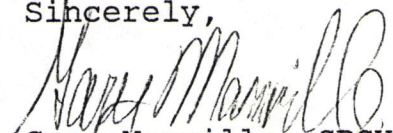
RE: Interstate Brick Company  
Koosharem Mine, Permit #M/031/002  
Original Bond: United Pacific Insurance  
Company  
Replacement Bond: # , St. Paul Fire &  
Marine Insurance Company

Dear Ms. Grubaugh-Littig:

The attached bond is being issued as a replacement for the original. As you know, the ownership of Interstate Brick changed, effective March 26, 1990.

Please send us written acknowledgement that effective March 26, 1990, the State recognizes Bond # of the St. Paul Fire & Marine Insurance Company as the bond protecting its interest in the captioned mining property, and that the State releases Bond of United Pacific Insurance Company from any liability subsequent to March 26, 1990.

Sincerely,

  
Gary Manville, CPCU  
Surety Manager

ks



649 EAST SOUTH TEMPLE, P.O. BOX 58139, SALT LAKE CITY, UTAH 84158-0139

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# EXHIBIT B

MR FORM 5

February 1990  
(Noncoal)

THIS BOND REPLACES # U0302610  
ISSUED WITH UNITED PACIFIC INS.  
CO.

Bond Number \_\_\_\_\_  
Permit Number M/031/002  
Mine Name Koosharem

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

## THE MINED LAND RECLAMATION ACT

### SURETY BOND \*\*\*\*\*

The undersigned Interstate Brick Company  
as Principal, and St. Paul Fire and Marine Insurance Company  
as Surety Company, hereby jointly and severally bind ourselves, our heirs,  
administrators, executors, successors, and assigns unto the State of Utah,  
Division of Oil, Gas and Mining (Division) in the penal sum of Twenty Three Thousand  
Twenty Two and No/ dollars (\$ 23,022.00 ).

The Principal estimated in the Mining and Reclamation Plan approved by the  
Division on the 1st day of June, 1988, that 15  
acres of land will be disturbed by this mining operation in the State of Utah.

Obligations guaranteed by this performance bond shall be in effect for the  
following described lands:

Lots 1 and 2; SW $\frac{1}{4}$  of NE $\frac{1}{4}$ , SE $\frac{1}{4}$  of NE $\frac{1}{4}$ , NW $\frac{1}{4}$  of SE $\frac{1}{4}$ , NE $\frac{1}{4}$  of SE $\frac{1}{4}$ ,  
SW $\frac{1}{4}$  of SE $\frac{1}{4}$ , SE $\frac{1}{4}$  of SE $\frac{1}{4}$  T. 27 S., R. 2 W., Section 2, SLM

When the Division has determined that the Principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect until the reclamation  
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a  
piecemeal or cyclic basis, and the land is reclaimed in accordance with such  
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area  
of the land affected or increased reclamation work, then this bond may  
accordingly be increased with the written approval of the Surety Company.

This bond may be cancelled by the Surety Company after ninety (90) days following receipt by the Division and the Principal of written notice of such cancellation. The Surety Company's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that the Surety Company will retain liability for any outstanding reclamation obligation of the Principal existing prior to the termination of the Bond.

The Surety Company and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses which the Division may sustain as a result of the Principal's failure to comply with the condition(s) of the obligation.

The Surety Company will give prompt notice to the Principal and to the Division of any notice received or action filed alleging the insolvency or bankruptcy of the Surety Company, or alleging any violations or regulatory requirements which could result in suspension or revocation of the Surety Company's license to do business.

Dated this 26th day of March, 19 90.

State of Utah  
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 3-26-90

Interstate Brick Company  
Principal (Permittee)

By: *Nick Kalangas*

Title: CHIEF FINANCIAL OFFICER

Date 3-26-90

St. Paul Fire and Marine Insurance Company  
Surety Company

By: *Gary W. Manville*

Title: Gary W. Manville Attorney-in-Fact

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Assistant Attorney General

NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

## AFFIDAVIT OF QUALIFICATION

Gary W. Manville, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Signed: \_\_\_\_\_

Surety Company Officer

Title: Gary W. Manville Attorney-in-Fact

Subscribed and sworn to before me this 26th day of March, 1990.

Sharron Rushton

Sharron Rushton Notary Public

My Commission Expires:

July 1, 1991.